

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3124

ANSWERED ON:13.08.2003

POVERTY LINE

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Will the Minister of PLANNING be pleased to state:

- (a) whether in a house hold of five members, the poverty line is represented by an annual income of Rs.11,060 (1991-92 prices);
- (b) if so, the details thereof;
- (c) the manner in which the Planning Commission justifies this poverty line; and
- (d) the details of the procedure of comparing the poverty line with that of the neighbouring countries?

Answer

MINISTER OF STATE IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION, MINISTER OF STATE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI S. B. MOOKHERJEE)

(a) to (c): The Planning Commission till March 1997 was estimating poverty based on the methodology outlined in the Task Force on Projection of Minimum Needs and Effective Consumption Demand. According to this methodology, the poverty line was defined in terms of per capita expenditure level corresponding to the average per capita per day calorie intake of 2400 kcal in rural areas and 2100 kcal in urban areas. The monetary equivalent of these norms were calculated as monthly per capita consumption expenditure of Rs. 49.09 in rural areas and Rs. 56.64 in urban areas at 1973-74 prices. These poverty lines were applied uniformly for all the states. These poverty lines were updated for later years for price rise using CSO's implicit private consumption deflator. The annual poverty line for a rural house of five members was estimated to be Rs 11,060 at 1991-92 prices.

This method was replaced by the methodology contained in the Report of the Expert Group on Estimation of Proportion and Number of Poor (commonly known as Lakdawala Committee, named after its Chairman) in March 1997. The Expert Group did not redefine the poverty line and adopted the one defined by the Task force, which was at national level in rural and urban areas. The Expert Group estimated separate poverty lines for each state by disaggregating these national level poverty lines using state-specific price indices and inter-state price differentials. Now, all the states have different poverty lines. The national poverty line at 1999-2000 prices is Rs 327.56 per capita per month in rural areas and Rs. 454.11 per capita per month in urban areas. The poverty lines for major states at 1999-2000 prices are enclosed.

(d): Poverty lines of different countries are not comparable because of the difference in consumption pattern.

Lok Sabha Unstarred Qn No. 3124

State-Specific Poverty Lines in 1999-2000

(Rs. per capita per month)

No. State Rural Urban

1	Andhra Pradesh	262.94	457.40
2	Assam	365.43	343.99
3	Bihar	333.07	379.78
4	Gujarat	318.94	474.41
5	Haryana	362.81	420.20
6	Himachal Pr.	367.45	420.20
7	Karnataka	309.59	511.44
8	Kerala	374.79	477.06
9	Madhya Pradesh	311.34	481.65
10	Maharashtra	318.63	539.71
11	Orissa	323.92	473.12
12	Punjab	362.68	388.15
13	Rajasthan	344.03	465.92
14	Tamil Nadu	307.64	475.60
15	Uttar Pradesh	336.88	416.29

16 West Bengal 350.17 409.22
17 Delhi 362.68 505.45

All India# 327.56 454.11

The poverty line(implicit) at all-India level is worked out from the expenditure class-wise distribution of persons and the poverty ratio at all-India level. The poverty ratio at all-India level is obtained as the weighted average of the state-wise poverty ratio.